8. **Expenditure.**—In my Address last year, I had adverted to the need for equalising the revenue and expenditure of the State. With this view, the budget of ordinary expenditure for 1091 was framed for Rs. 1,48,88,800, or Rs. 51,700 less than the anticipated revenue and receipts. The salient feature of the budget was the reduction of expenditure under 'Public Works', which had risen to as much as 25·4 per cent of the aggregate revenue in 1090. It was found necessary to reduce the grants for new works, save in exceptional cases, and to limit the operation of the department to the completion of works already started and the maintenance of works previously completed. Even so, the expenditure on public works amounted to 18·5 per cent of the aggregate ordinary expenditure of the year. At the same time, the growing needs of progressive departments were adequately met. The actual expenditure of the year, including the outlay on Railway Extension, fell short of the total estimate of Rs. 1,60,38,800 by Rs. 4,14,634.

9. **Debenture Loan.**—You are already aware that the original estimate for the Extension of the Railway from Quilon to Trivandrum was Bh. Rs. 29,72,252 and that the Government had resolved to finance the scheme wholly from the general revenues of the State. Owing to the rise in the price of materials in consequence of the War and to other causes, this estimate had to be revised, and the revised estimate, submitted by the South Indian Railway Company, amounting to Rs. 54,02,579, led Government to seriously consider whether they would be justified in continuing their policy of meeting the necessary expenditure from the small balance in their hands. Having commenced the construction of the line and already incurred heavy liabilities in the prosecution of this reproductive work, the Government, following the example of other advanced States, resolved to float a Debenture Loan, to meet a portion of the additional outlay required. The loan bears interest at 5 per cent per annum and is repayable at par after 25 years. It was confined to persons resident in Travancore. The amount raised was Rs. 14,49,000.

MAIN HEADS OF REVENUE.

10. **Seasonal Prospects.**—The fairly even distribution of rain in 1091 was generally favourable to paddy cultivation. The crops injuriously affected were pepper and sugar-cane, which must be attributed to the unusually heavy rains in the latter part of 1090.

11. **Land Revenue.**—The gross demand rose from Rs. 35,98,727 in 1090 to Rs. 36,62,358 in 1091, *i. e.*, by Rs. 63,631, and the net demand, after deducting the remissions, from Rs. 35,84,798 to Rs. 36,54,327, *i. e.*, by Rs. 69,529. There was a rise of Rs. 97,837 in the gross demand under garden and dry lands, being the net result of an increase in the revenue on account of the extension of cultivation and of a decrease consequent on the transfer, from the Land Revenue Department, of the *Thanathuchitta* lands and trees in the possession of other departments, together with the revenue accruing therefrom, to those departments, which came into full operation during 1091. The balance pending collection rose from Rs. 1,09,075 to Rs. 1,85,435. The increase, however, is only apparent, as the bulk of the balance represents the *tharavila* charged on *puduval* and other lands, which was allowed to be recovered in easy instalments, as a measure of relief to the ryots.

12. The Land Revenue Manual was brought into full operation from the beginning of 1091. The *puduval* Rules were amended so as to enable the Tahsildars to dispose of *puduvals* by auction sale, in the event of the failure of the applicants to pay the *tharavila* fixed. Pattahs issued for *puduval* lands were exempted from the payment of stamp duty. The provision in the Waste-Land Rules regarding the recovery of the value of trees (other than Royal) was a serious impediment to the free flow of applications for such lands in the Devicolam Division. It has been now ordered that the value of such trees need be paid only if they are to be used for building purposes within, or removed outside, the limits of the grant.

13. **Circuit Work of Peishkars.**—Government have, for some time past, observed that the tours of the Peishkars could be made more effective and beneficial to

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